Wilfrid Laurier University

Inspiring Lives of Leadership and Purpose

2019/20 Budget

Board Approved

June 6, 2019 – Board of Governors

Table of Contents

List of Tables

List of Charts

List of Figures

Wilfrid Laurier University 2019/20 Budget

Part A – Overview

Governance Process

This report contains forward-looking information. In preparing the 2019/20 Budget report, certain assumptions and estimates were necessary. The assumptions and estimates are based on information available to management at the time of preparing the 2019/20 Budget. Readers and users of this financial information are cautioned that actual results may vary from the assumptions used in preparation of the Budget.

Budget forecasts and information regarding the 2019/20 Budget have been presented to the Finance and Investments (F&I) Committee throughout the past fiscal year. As changes in revenue and expenditure drivers occur during the year, updated projections will be presented to the Board of Governors. Prior to the Board of Governors receiving this final Budget, the draft Budget was presented to the Finance and Investments Committee at their May 16, 2019 meeting, which provided the opportunity to review and comment prior to the information being presented in this report. In addition, the draft Budget was presented to the Senate Finance Committee on May 6, 2019 and to Senate on May 22, 2019. At the Senate meeting, the motion was put forward from the Senate Finance Committee that Senate recommends the 2019/20 Budget for approval by the Board of Governors. Fee information, which is part of the assumptions included in this 2019/20 Budget report, has been included in a separate 2019/20 Fee Report and is being presented to the Board of Governors for approval at the June meeting. This 2019/20 Budget report is prepared annually and in a format consistent with previous years in order to enhance comparability. Included is detailed financial information along with various commentary and analysis. The following information is presented in this report along with the expected actions by the Board of Governors:

For Approval:

- Operating Budget
- Ancillary Budget
- Real Estate Budget

Executive Summary – 2019/20 Budget Highlights

Operating Budget

The Operating Budget comprises the major annual revenues and expenditures of the University's financial operations. Revenues from student tuition fees and government operating grants account for 91% of the total operating revenues. Faculty and staff salaries and benefits account for 75% of the total operating expenditures.

The 2019/20 Budget (as presented in Table 9) shows forecasted total revenues of $291.8 million, a decrease of $8.4 million, or 2.8%, over last year's Budget. The Provincial Government released a new Tuition Fee Framework, which mandates a 10% tuition fee reduction for all publicly funded programs for funding-eligible students as of the beginning of the upcoming academic year. This reflects a total tuition revenue decrease of $11.5 million, or 6.6%.

Total expenditures are forecasted at $310.2 million, an increase of $9.6 million, or 3.2%, over last year. This includes an increase of $11.4 million in total salaries and benefits and a decrease of $1.8 million in non-salary expenses with the major contributor relating to the reduction in Tuition Set-Aside obligations as a result of the 10% tuition reduction

The 2019/20 excess of expenditures over revenues has produced a deficit of $18.4 million which represents a decrease of $17.9 million compared to the 2018/19 budgeted deficit of $0.5 million. The 2019/20 deficit is being bridged through one-time only reserves from prior years. The 2020/21 budget process will address the ongoing deficit to provide for a highly consultative and strategic process to develop a multi-year plan to return to a balanced budget.

Ancillary Budget

The Ancillary Budget (as presented in Table 24 & 25) includes the self-sustaining activities of Food Services, One Card, Conferences, Residences, Bookstore, Parking, Printing and Copying Services. In 2019/20, revenue for the ancillary enterprises overall is estimated to decrease by 4% from $48.1 to $46.2 million and expenses are forecasted to decrease by 5% from $44.5 million to $42.3 million. The budgeted net surplus, after appropriations, is expected to decrease from $0.63 million in 2018/19 to $0.62 million in 2019/20.

Real Estate Budget

The Real Estate Budget (as presented in Table 27) encompasses the operations of the Waterloo Ezra-Bricker apartments, a portfolio of houses acquired for land banking purposes, and the One Market property. The Real Estate Budget will have a deficit in 2019/20 resulting from One Market operations. One Market will undergo significant renovations to accommodate Student Services, LEAF and classroom space moving from leased accommodations. A new all-inclusive rent model will be employed for all units in the Ezra-Bricker Apartments and House portfolios increasing revenue for 2019/20. Real Estate continues to make a $70,000 annual contribution to the University operating fund.

Budget Model Overview

In 2017/18, the university began implementation of a new Responsibility Centre Management (RCM) budget model. A five-year Transition Plan was developed to guide the budget process toward an incremental implementation of the RCM budget model, by considering resource allocation for both Faculties in surplus and subvention in light of allocated revenue and other factors.

For 2019/20, the third year of the Transition Plan is being paused to align with the university's overall budget approach. Limited one-time-only internal reallocations to support the priorities of Faculties in a surplus position are reflected in the operating budget. The 2020/21 budget process will consider the appropriate timing and structure of the Transition Plan moving forward.

Part B - Operating Budget

1. 2019/20 Budget Context

The Operating Budget is developed with a focus on ensuring resources are devoted to high impact strategic priorities and are aligned with the institutional mission. In light of the policy changes governing tuition fees, it is increasingly important to ensure that resource allocation reflects the strategic direction of the institution, while exercising spending constraint. The 2019/20 operating budget reflects targeted investment given the reduction in tuition revenue. The resulting deficit is fully bridged for 2019/20 through appropriations as the institution immediately begins the 2020/21 budget process, designed to address the deficit long-term.

The Operating Budget comprises the major annual revenues and expenditures of the University's financial operations. Revenues from student tuition fees and government operating grants account for 91% of the total operating revenues. Faculty and staff salaries and benefits account for 75% of the total operating expenditures.

The Operating Budget does not include those financial activities that are not available for general operating purposes such as direct sponsored research, trust and endowments, and government grants for major capital projects. These financial activities are consolidated and presented annually in the audited financial statements.

A number of external factors directly influence Laurier's Budget. These include:

Strategic Mandate Agreement

The Strategic Mandate Agreement (SMA) between the Ministry of Training, Colleges and Universities (MTCU) and Laurier outlines the role the University currently performs in Ontario's postsecondary education system and how it will build on its current strengths to achieve its vision and help drive system-wide objectives and government priorities. Because 2019/20 is the final year of the second Strategic Mandate Agreement, there are no new budget impacts for this fiscal year. The government has signalled changes in direction for the next SMA, including a decrease to enrolment-based funding and an increase to performance-based funding. As the budget is being prepared, the sector is working with the MTCU to understand the process for SMA3 negotiations.

Tuition Framework

On January 17, 2019, the Provincial government introduced the new tuition fee framework that will govern tuition fees for 2019/20 and 2020/21. The new tuition framework for colleges and universities will see tuition fee levels reduced by 10% relative to 2018/19 levels for domestic students in all provincial funding-eligible undergraduate and graduate programs starting in September 2019. Under the new framework, tuition fees will be frozen in 2020/21 at the same level as 2019/20 tuition.

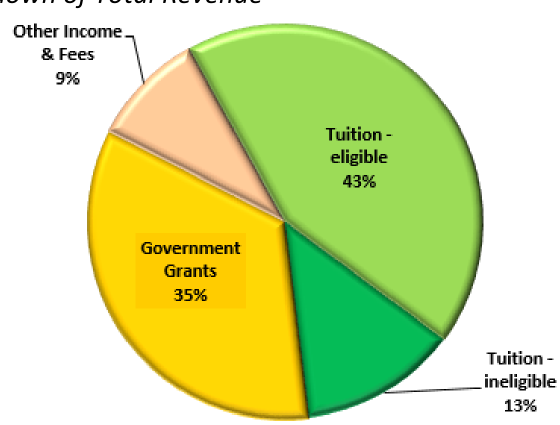
At Laurier, undergraduate domestic tuition represents approximately 42% of total operating revenue and graduate eligible tuition represents approximately 4% of total operating revenue. Graduate eligible tuition excludes domestic students in programs not eligible for provincial funding (e.g. Toronto MBA). Therefore, the impact of the new tuition framework with the 10% tuition cut represents approximately 46% of total operating revenue; because of Laurier's student mix and revenue profile, this is slightly higher than the average in Ontario. Table 1 is an illustrative example which isolates the impact of the tuition cut relative to the 2018/19 approved budget for a full fiscal year. As the tuition reduction for 2019/20 takes effect in September 2019, part way through the fiscal year, the full impact will not be evident until 2020/21.

***Table 1**: 10% Tuition Reduction Impact on Total Revenue*

Tuition Fees – Grant eligible	2018/19	% of total operating revenue	Impact
Undergraduate	124,930	42%	12,493
Graduate	11,880	4%	1,188
Total Grant eligible tuition	**136,810**	**46%**	**13,681**
Total Operating Revenue	**300,537**		

For the 2019/20 budget, 43% of total operating revenue is estimated to be from grant-eligible tuition fees.

***Chart 1:** Breakdown of Total Revenue*

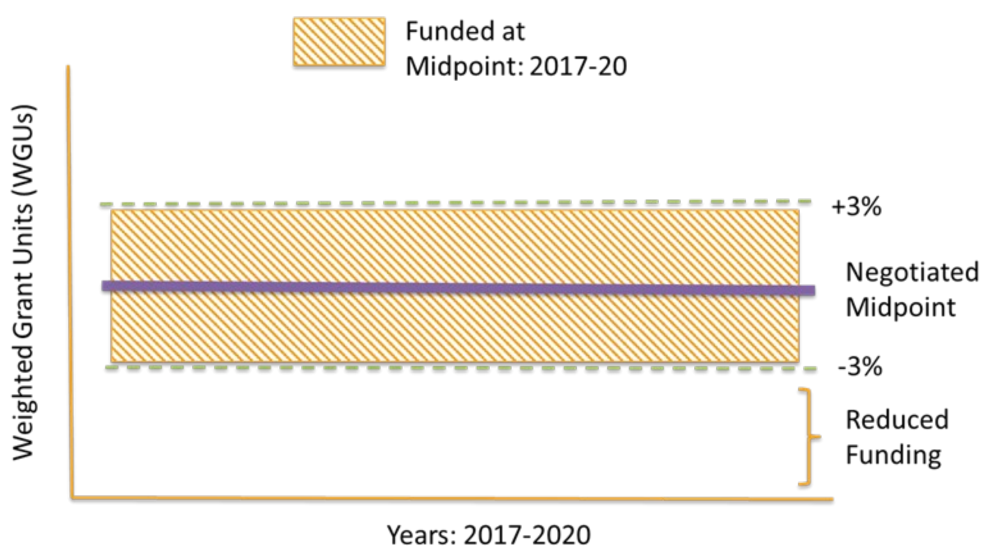


Government Corridor Funding Formula for Grants

In 2017/18, Ontario universities moved to a corridor funding model where rather than incrementally funding grant eligible (normally domestic) enrolment, institutions are funded to a mid-point level within a corridor. The midpoint was negotiated as part of the SMA2 process, and corresponds to actual funding levels from the 2016/17 year, for undergraduate student funding. The midpoint is expressed in Weighted Grant Units (WGUs), which replaces the previous Basic Income Unit (BIU) system. The midpoint is reviewed annually against a 5-year growing moving average, with year one being 2016/17. For SMA2, funded graduate enrolment was re-based at the sector level with unfilled spaces redistributed and funded. For Laurier, this has resulted in an increase in graduate funded spaces for the duration of SMA2

Discussions regarding SMA3 are just beginning and negotiations are not slated to commence until Fall 2019. As the SMA3 process unfolds, it will become clearer whether and how the corridor midpoint might be impacted.

Figure 1: *Government Corridor Funding Formula Model*



A number of internal initiatives directly influence Laurier's Budget. These include:

Milton Expansion

On October 23, 2018, the Provincial Government announced the withdrawal of capital funding for three campuses, one of which included a Laurier campus in Milton. Laurier's capital allocation was slated to have been $90 million with the university contributing additional funds, including through fundraising. The Provincial Government reinforced that this was a fiscal discussion, and remains open to strategic discussions in the future.

Laurier remains committed to bringing its high-quality academic and student experience to Milton, enhancing its strength as a multi-campus, multi-community institution.

The university presented at Milton Town Council Jan 21, 2019 where council approved the fourth extension to the Memorandum of Understanding between the town and the university, which had previously been approved by the university's Board of Governors. This extension demonstrates the continued interest and enthusiasm for a Laurier presence in Milton.

Laurier has committed to a two-phased approach to development in Milton:

Phase 1: Offering existing part-time degree and non-degree courses in the Milton Innovation Centre;

Phase 2: The Town of Milton intends to establish a Milton Education Village (MEV) with Laurier as an integral element of the plan. Pending the development of a suitable business plan moving forward, Laurier plans to offer sector-leading programs in STEAM (science, technology, mathematics and the arts), along with plans for complementary engineering undergraduate programs and research collaboration opportunities).

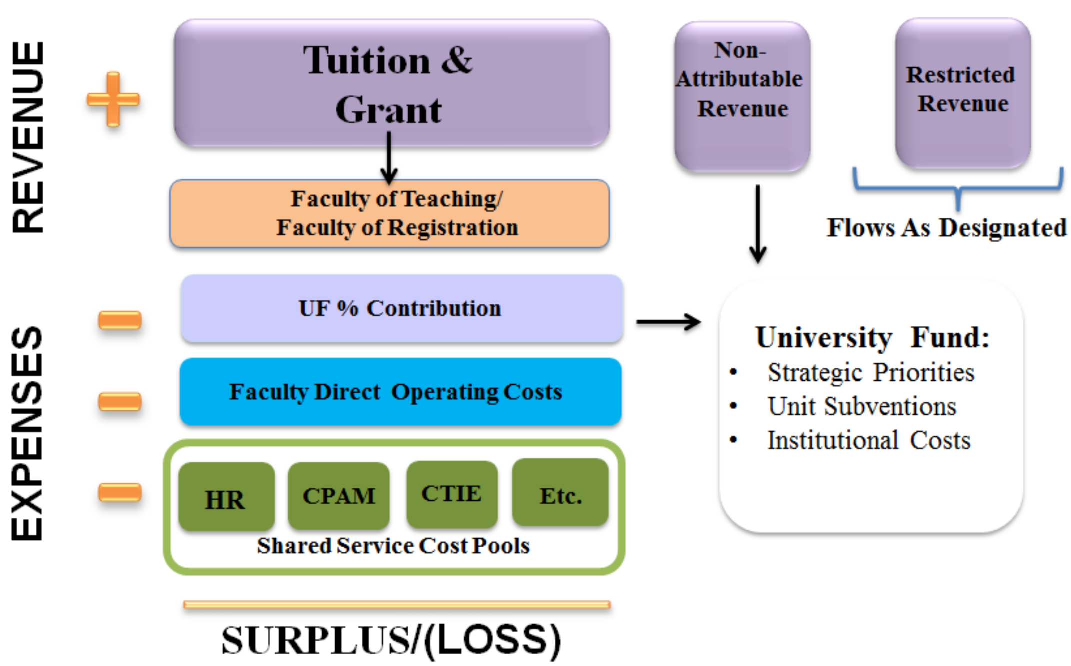
Strategic Plan

In the fall of 2018, Laurier began a process to develop its new Strategic Plan (2019-2024) which will outline the university's high-level priorities for the next five years. The Strategic Plan Steering Committee will bring the final draft of the plan to Senate and the Board, respectively, in May and June 2019. The approved plan will be a critical driver for the 2020/21 budget process.

RCM Budget Model

The 2019/20 budget is the third budget developed under Laurier's Responsibility Centre Management (RCM) budget model. The figure below illustrates the RCM structure:

***Figure 2**: RCM Structure*



Further details of the resulting allocations, are provided in section 3.3 Budget by Faculty.

A five-year Transition Plan was developed to guide the budget process toward an incremental implementation of the RCM budget model, by considering resource allocation for both Faculties in surplus and subvention in light of allocated revenue and other factors. The Transition Plan outlines how the Faculties in surplus incrementally retain a greater proportion of their surplus, rising to 100% in year five.

For 2019/20, the third year of the Transition Plan is being paused to align with the university's overall budget approach – that is, to bridge the deficit for one year, providing time to develop a strategic approach to address the necessary changes. The 2020/21 budget process will consider the appropriate timing and structure of the Transition Plan moving forward.

2. 2019/20 Budget Process

The provincial government has committed to a line-by-line review of all government transfers and expenditures. Laurier, like other universities and broader public sector entities, is experiencing various restraint measures. In light of provincial policy changes, it is increasingly important that we devote resources to strategic priorities that have the highest impact and serve to reflect the university's overall vision, mission and values. In order to identify and affirm priorities for Laurier in the years ahead, a strategic planning process is underway that will lay the foundation for Laurier's vision for the next five years (2019-2024). The budget process will begin to align to those priorities in the years ahead.

The university is responsible for submitting a budget for consideration by Senate and approval by the Board of Governors. As part of budget development, leaders across the institution have normally completed a budget template that flags operational priorities within their specific units. The university's budget committee then reviews unit requests, considers institution-wide costs, assesses the implications for Faculties and recommends budget priorities within available resources. While the template process has serviced Laurier relatively well in previous years, it is increasingly important that we set strategic priorities and align spending to those institutional priorities.

This year, a change to the budget process was implemented to ensure greater alignment of spending with these institutional strategic priorities, and to ensure that scarce resources are spent wisely in the event of provincial constraint measures.

The Executive Leadership Team (ELT), led by the President, identified initiatives within their units that aligned with institutional priorities. Rather than complete the standard, university-wide templates, consultations with Deans and AVPs of Shared Services helped shape the budget priorities for 2019/20.

Operational budget requests that did not reflect institution-wide priorities, fell within the purview of each Vice President and the Senior Executive Officer, Brantford for funding consideration. These senior leaders worked with their teams to set unit priorities and considered budget requests is one of the following ways:

- Reallocation of existing resources within the unit to meet new or emerging operational priorities;
- Utilized Carry Forwards and Retained Surpluses for the initiatives that were one-time only; or
- Deferred action until a sustainable funding plan could be implemented.

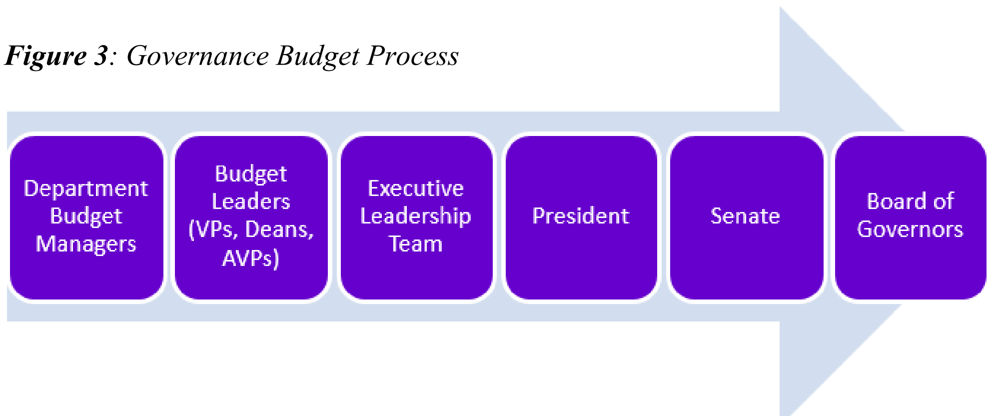
Role of the Executive Leadership Committee

The Executive Leadership Team:

- Establishes the annual budget development process
- Provides advice and recommendations for transparent resource allocation decisions reflective of the University's strategic priorities
- Provided oversight for the implementation of the Budget incorporating the transition to RCM

The Executive Leadership Team recommends a Budget to the President. Membership includes the President, Vice-Presidents, and the Senior Executive Officer for Brantford.

***Figure 3**: Governance Budget Process*



2.1 Revenue Process

Student enrolment drives more than 90% of operating revenue. The Strategic Enrolment Management Committee is responsible for providing strategic direction in establishing the university's long-term enrolment plan; aligning the enrolment planning process with institutional and academic priorities. A key component of this plan is the development of short-term and long-term enrolment targets for both graduate and undergraduate students. This forms the basis of the enrolment forecast, which is then used to project enrolment-driven revenue (tuition and grant) institutionally and by Faculty.

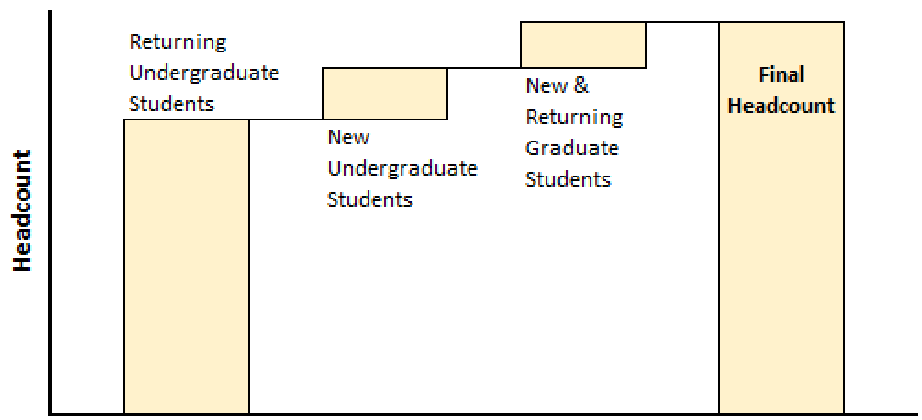
The provincial government's tuition fee framework and grant funding model outline the student funding rates and levels that are incorporated into the forecast.

SEM is tasked with developing long-term enrolment plans that reflect a comprehensive and integrated approach to strategic enrolment management. SEM is co-chaired by the Provost & VP: Academic and the VP: Student Affairs. The Committee includes all Deans, the Principal/Dean of Martin Luther University College, as well as leadership from Enrolment Services, External Relations, Finance, Institutional Research & Planning and Teaching & Learning.

The enrolment plan is intended to enable the University to achieve and maintain optimum student enrolment within the context of the Strategic Academic Plan (SAP) and the Strategic Mandate Agreement (SMA) while responding to external factors, including government policy, demographics, and the competitive landscape.

The enrolment plan considers not only new annual intake, but also student retention, which impacts the flow through of students progressing to graduation. Figure 4 depicts how the various cohorts of students make up the 2019/20 enrolment projection, which drives the total tuition and grant revenue forecast.

Figure 4: *Components of Enrolment Forecast*



Enrolment

The following table illustrates the forecasted change in total students including undergraduate and graduate headcount from 2018/19 to 2019/20:

Table 2: *Forecasted Change in Total Students*

Fall Headcount	Undergraduate				Graduate			
	2017 Actual	2018 Actual	2019 Projection	18 vs 19 Change %	2017 Actual	2018 Actual	2019 Projection	18 vs 19 % Change
Full-time	15,233	15,229	15,337	+0.7%	1,045	1,084	1,101	+1.6%
Part-time	2,496	2,723	2,725	+0.1%	617	756	1,092	+44.4%
Total	**17,729**	**17,952**	**18,062**	**+0.6%**	**1,662**	**1,840**	**2,193**	**+19.2%**

Undergraduate student enrolment remains relatively stable from prior years and reflects a strong flow through of continuing students.

The graduate-level enrolments includes both domestic and international students. The increases align with the increase in Laurier's funded graduate spaces through SMA2. Growth in part-time graduate programs is particularly strong, including the Master of Social Work (MSW) online program.

Overall, the enrolment plan reflects the goals of the SAP, with an intent to further diversify the student body through increased focus on students from outside the traditional cohort of Ontario high school graduates (e.g. international students, graduate part-time students).

Undergraduate (UG) Students:

A full-time undergraduate headcount of 15,337 for Fall 2019 is projected, marginally higher than the previous year's actual count of 15,229. Projected enrolments include 14,283 domestic and 939 international fee-paying students, representing an increase of 85 domestic students and 16 international fee-paying students from Fall 2018. Enrolments include students in the consecutive Bachelor of Education program, a second entry undergraduate program.

***Table 3**: Fall Full-Time Headcounts – Undergraduate*

Fall Full Time Headcount – Undergraduate				
Fall Full-Time Headcount	**2017 Actual**	**2018 Actual**	**2019 Projected**	**2018 vs 2019 % Change**
Domestic	14,265	14,198	14,283	+0.6%
International – Fee Paying	850	923	939	+1.7%
International – Incoming Exchange *	118	108	115	+6.5%
Total	**15,233**	**15,229**	**15,337**	**+0.7%**

** Incoming exchange students pay fees to their home institution*

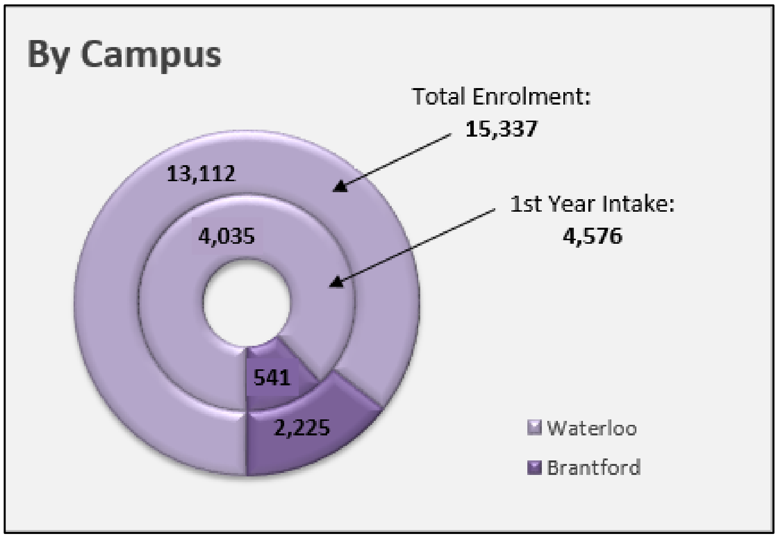
Though the overall undergraduate enrolment is projected to increase by 0.7%, the first year intake is expected to increase by 7.5%, including 8.4% for international students. The below table shows first year undergraduate intake for both domestic and international students and for both first and second entry programs.

***Table 4**: 1st Year Fall Full-time Undergraduate Intake*

1st Year Fall Full-Time Headcount – Undergraduate			
Fall Full-Time Headcount	**2017 Actual**	**2018 Actual**	**2019 Projected**
Domestic – 1st entry	4,471	3,883	4,177
International – 1st entry	306	311	337
Domestic – 2nd entry (Education)	76	64	62
International – 2nd entry	0	0	0
Total	**4,853**	**4,258**	**4,576**

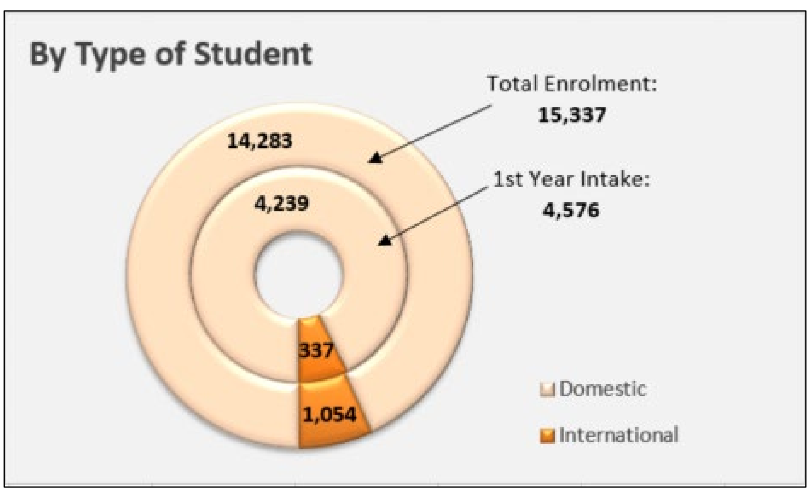
The following charts show the composition for projected full-time undergraduate headcount for both first year intake and total enrolment. This information is displayed by campus, type of student and Faculty.

Chart 2: *Total UG Enrolment by Campus*



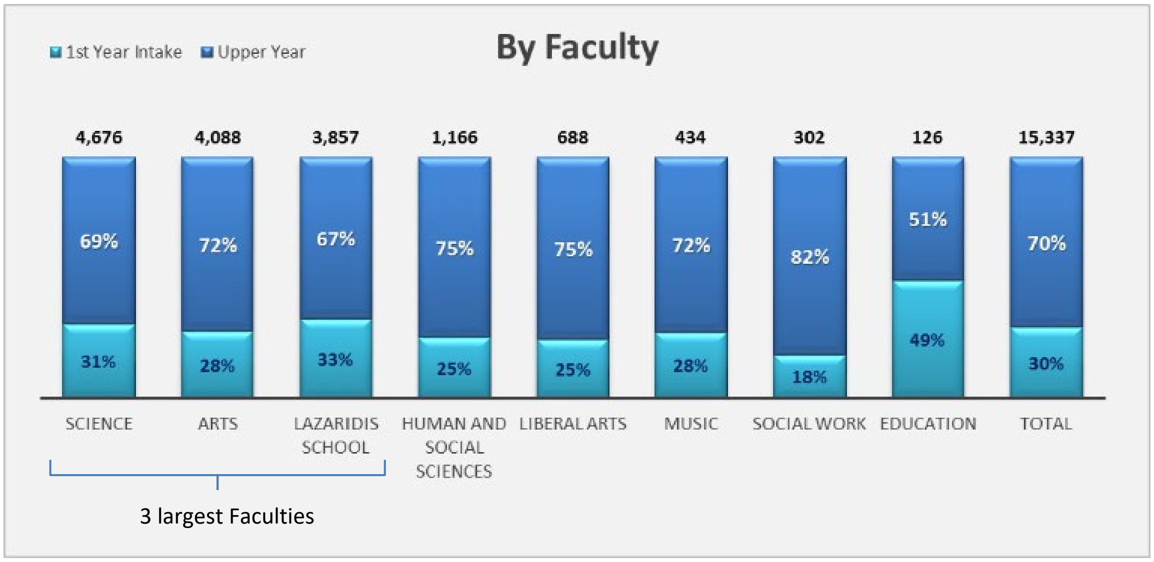
The Brantford campus is anticipating a smaller incoming class size than prior years with 1st year enrolment representing 11.8% of the total institutional first year intake. Overall, enrolment at the Brantford Campus represents 14.5% of total undergraduate.

Chart 3: *Total UG Enrolment by Type of Student*



The projected percentage of international students remains stable. International students represent 7.4% of the projected incoming class, with overall international enrolment at 6.9% of total enrolment at the undergraduate level.

Chart 4: *Total UG Enrolment by Faculty*



The three largest Faculties of Arts, Science and the Lazaridis School account for 82% of total enrolment and 85% of 1st year intake. Education is a two year program and in Social Work, a significant portion of their intake are advanced standing students.

Graduate Students:

Overall, Fall graduate enrolment is projected to increase 9% in 2019. Enrolment increases in graduate programs are forecasted for Master's students in professional programs (19.4%) for Fall 2019, offset by an enrolment decrease for projected research-based academic programs for Fall 2019 of approximately 3.2% from the previous year. Projected enrolments for doctoral programs are expected to increase 8.9% from the previous year. The tables below show the change in graduate FTE[1] by program category, type of student and by Faculty:

[1] Graduate student headcount is translated to Full-Time Equivalent (FTE) based on 1 full-time student = 1.0 FTE and 1 part-time student = 0.3 FTE

***Table 5**: Graduate FTE by Program Category*

Graduate FTE by Program Category			
Fall FTE	**2017 Actual**	**2018 Actual**	**2019 Projected**
Grant Eligible Programs			
Professional Masters *	423.2	471.7	563.2
Research Masters	372.3	394.7	382.2
Doctoral	221.4	216.8	236.1
Grant Ineligible Programs			
Full Cost Recovery **	213.2	227.6	247.1
Total	**1,230.1**	**1,310.8**	**1,428.6**

** Include diploma and general grad studies*
*** Enrolment in cost recovery programs (e.g. Toronto MBA, EMTM) is not eligible for government grant funding*

***Table 6**: Graduate FTE by Type of Student*

Graduate FTE by Type of Student			
Fall FTE	**2017 Actual**	**2018 Actual**	**2019 Projected**
Domestic – Grant Eligible	835.4	887.0	982.6
Domestic – Grant Ineligible *	283.5	289.3	303.4
International	111.2	134.5	142.6
Total	**1,230.1**	**1,310.8**	**1,428.6**

** Include domestic students who exceed WGU/grant limit and those in cost-recovery programs*

The majority of graduate growth is projected to be in programs eligible for provincial grant funding, with a 10.8% increase, which is aligned with the graduate growth space provided for in SMA2.

***Table 7**: Graduate FTE by Faculty*

Graduate FTE by Faculty			
Fall FTE	**2017 Actual**	**2018 Actual**	**2019 Projected**
Lazaridis School	431.0	457.9	476.3
Social Work	256.9	284.6	355.2
Science	215.5	222.7	207.7
Arts	200.3	179.8	179.9
Human and Social Sciences	20.0	38.9	56.1
Music	32.2	39.7	50.6
SIPG	38.3	42.0	46.3
Education	17.7	21.4	30.7
Liberal Arts	18.2	23.8	25.8
Total	**1,230.1**	**1,310.8**	**1,428.6**

Table 7 highlights the change in graduate students by Faculty. The Faculty of Social Work, Faculty of Education and the Faculty of Human & Social Sciences are all projected to significantly increase their graduate FTE for Fall 2019 through growth in part-time programs.

Total Full Time Equivalent (FTE) Enrolments:

The following chart shows the FTE enrolment from 2017/18 to 2019/20 including both grant eligible & ineligible enrolment at the undergraduate and graduate levels[2].

Overall, modest enrolment growth of approximately 0.7% is projected for 2019/20. While each category below shows growth, Chart 5 shows the projected growth in FTE is largely focused within graduate enrolments, in particular for grant eligible enrolments with growth of 10.8%.

[2] Includes both incoming exchange and adjustments for co-op work term

***Chart 5**: Student Enrolment – UG FFTE & Graduate FTE (FT & PT)*

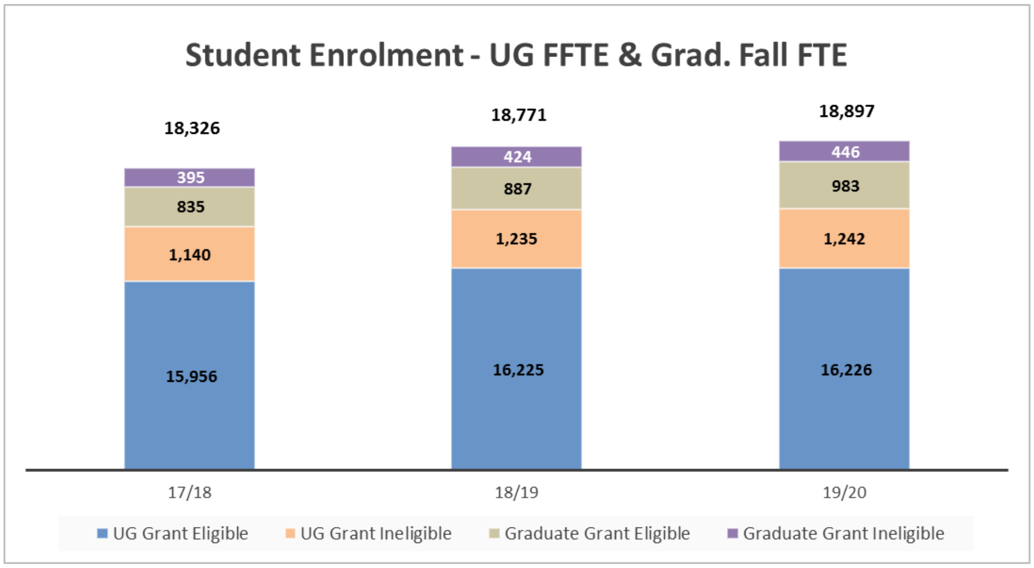


***Table 8**: FTE Enrolment – UG FFTE & Graduate Fall FTE (FT & PT)*

FTE Enrolment – UG FFTE & Graduate Fall FTE (FT & PT)			
FTE Enrolment	**2017 Actual**	**2018 Actual**	**2019 Projected**
Domestic	17,041	17,377	17,484
International	1,285	1,394	1,413
Total	**18,326**	**18,771**	**18,897**
Domestic %	93.0%	92.6%	92.5%
International %	7.0%	7.4%	7.5%

2.2 Expense Process

Total expenses for 2019/20 are $310 million. Expenses are categorized as Direct Cost of Teaching, Unit Costs, Institutional Costs – Unit Oversight, and Institutional Costs – Central Oversight.

Direct Cost of Teaching

Direct cost of teaching results from the creation of new programs and enrolments changes in continuing programs. Senate Finance and Senate reviews and approves the creation of new programs and the related detailed multi-year budgets. Direct cost of teaching expenditures are offset by incremental revenue from the new programs.

For new programs, direct teaching costs are provided on a one-time-only (OTO) basis until consistent enrolment is established.

For continuing programs, changes in direct teaching costs are provided through base funding once consistent enrolment is maintained.

Examples of direct cost of teaching expenditures may include the hiring of full-time faculty or Contract Academic Staff (CAS), the development and delivery of online courses, teaching assistance, lab supervision, support staff, partnerships, lab equipment, space and operating costs.

Unit Costs

As part of the budget development process, and to facilitate discussions between the senior leaders and their teams, each unit was asked to identify the operational budget changes that was occurring within their existing portfolios. Each unit categorized their changes as staffing changes; changes that were required due to compliance or regulatory obligations; and functional priorities. Operational changes that were base in nature, required the senior leader to reallocate resources within their existing VP envelope. Operational changes that were one-time only in nature, required the senior leader to fund the priority with existing OTO funding sources within their VP portfolio.

Institutional Costs – Unit Oversight

Institutional costs are costs that are directly attributable to a unit, and the unit has the responsibility to oversee the cost. However, the unit has limited control over how the cost may increase or decrease (e.g. audit fees, foreign exchange, scholarships).

These costs were reviewed by the unit as part of the budget process and the proposed change in cost was brought to the VP: Finance & Administration and the Provost & VP: Academic for review and further discussion.

Institutional Costs – Central Oversight

Institutional costs are costs that cannot be directly attributed to a unit. These costs are reviewed for any changes that may cause the cost to increase or decrease (e.g. University Memberships, such as Council of Ontario Universities).

These items (both revenue and expense) were reviewed based on actual experience and/or anticipated future changes and adjusted accordingly. The expected change was reviewed with VP: Finance & Administration and the Provost & VP: Academic.

3. 2019/20 Operating Budget

The 2019/20 Operating Budget detailed information is presented in the following pages beginning with a summary of the Operating Budget (Table 9). The summary is broken out into major revenue and expense types with a comparison to the 2018/19 Budget noting the major changes year-over-year. Additionally, the summary is further broken out into BASE and OTO.

Table 9: *2019/20 Budget by Revenue & Expense*

2019/20 Budget by Revenue & Expense

In 000's

	Budget 2018/19	Preliminary 2019/2020 *	Unit Costs	Direct Cost of Teaching	Institutional Unit	Institutional Central	BASE Budget 2019/2020	OTO Budget 2019/2020	Total Budget 2019/2020	Change	% Chg	Page #
Revenue												
Tuition Fees	175,280	163,752					163,752		163,752	(11,528)	(6.6%)	23
Enrolment Based Government Grants	100,319	100,660					100,660		100,660	341	0.3%	25
Other Income & Fees	24,539	26,375	644		28	327	27,068	306	27,374	2,835	11.6%	27
Revenue Total	**300,138**	**290,787**	**644**	**-**	**28**	**327**	**291,480**	**306**	**291,786**	**(8,352)**	**(2.8%)**	
Salary & Benefit Expenses												
Full/Part Time Faculty Costs	98,906	101,629		612	()		101,729	512	102,240	3,334	3.4%	30
Full/Part Time Staff Costs	73,367	75,716	1,855	288			75,915	1,944	77,859	4,492	6.1%	30
Statutory & Fringe Benefits	18,747	20,816	404	147			20,890	477	21,368	2,621	14.0%	30
Current Service Costs	18,028	18,538					18,538	0	18,538	510	2.8%	30
Pension Plan Deficiency	6,275	6,288					6,288	0	6,288	13	0.2%	-
Retirees, Parental, Tuition Exemptions	5,073	4,972			450	37	5,009	450	5,459	386	7.6%	31
Salary & Benefit Expenses Total	**220,396**	**227,959**	**2,260**	**1,046**	**450**	**37**	**228,369**	**3,383**	**231,752**	**11,356**	**5.2%**	
Non-Salary Expenses												
Equipment/Software	4,695	4,570	95		525		4,771	419	5,190	495	10.5%	31
Library Acquisitions	3,858	3,282			954		3,438	798	4,236	378	9.8%	31
Scholarships & Bursaries/TA's	22,849	22,831	50		(1,060)		21,772	50	21,822	(1,027)	(4.5%)	32
Travel Expenses	2,561	2,729	3				2,729	3	2,732	171	6.7%	32
Facility Rentals/Occupancy Costs	2,429	2,383			(185)		1,790	408	2,198	(231)	(9.5%)	32
Supplies & General Expense	19,761	17,272	938	13	820	300	18,065	1,279	19,343	(418)	(2.1%)	32
Debt Service	5,373	5,373					5,373	0	5,373		0.0%	32
Capital and Deferred Maintenance	5,457	4,343			875		5,218	0	5,218	(239)	(4.4%)	32
Equipment/Operating Renewal	3,607	3,707			53		3,760	0	3,760	153	4.2%	32
Utilities, Insurance & Taxes	6,589	6,587			(1,010)		5,563	15	5,578	(1,011)	(15.4%)	33
Contingency	3,000	2,960	0	0	0	40	3,000	0	3,000	0	0.0%	33
Institutional Reserve	50	0					0	0	0	(50)	(100.0%)	33
Non-Salary Expenses Total	**80,229**	**76,038**	**1,086**	**13**	**973**	**340**	**75,479**	**2,971**	**78,450**	**(1,779)**	**(2.2%)**	
Expense Total	**300,625**	**303,997**	**3,345**	**1,059**	**1,423**	**377**	**303,848**	**6,354**	**310,202**	**9,577**	**3.2%**	
(Deficit)/Surplus before Budget Balancin	**(487)**	**(13,210)**	**(2,701)**	**(1,059)**	**(1,395)**	**(51)**	**(12,367)**	**(6,049)**	**(18,416)**	**(17,929)**		
Budget Balancing Options												
Unit Investments funded from Reserves			459					459	459			
Unit Investments funded from Carryforwards			2,163					2,163	2,163			
Appropriations from prior years	487							13,183	13,183			
2018/19 anticipated surplus								2,611	2,611			
Total Budget Balancing Options	**487**	**0**	**2,622**	**0**	**0**	**0**	**0**	**18,416**	**18,416**			
Surplus/(Deficit)	**0**	**(13,210)**	**(79)**	**(1,059)**	**(1,395)**	**(51)**	**(12,367)**	**12,367**	**(0)**			

* **Preliminary 2019/20 Budget** is defined as: 2018/19 base budget + annual adjustments (salary increases & tuition/grant revenue) before additional funding requests were considered

2019/20 Budget Balancing Options shown in Table 9:

1. Unit Costs funded from Reserves of $0.5 million
    - Unit Costs reviewed through ELT are OTO in nature and are being fully funded by a unit's existing reserves which is not fully needed and therefore, is available to be repurposed**.**

2. Unit Costs funded from Carryforwards of $2.2 million
    - Unit Costs reviewed through ELT are OTO in nature and are being fully funded through existing carryforward balances in the unit

3. Prior year appropriations of $13.2 million
    - Enrolment reserve of $2.7 million
    - 2017/18 surplus of $8.5 million
    - Other general appropriations of $2.0 million

4. 2018/19 anticipated surplus of $2.6 million
    - Based on past experience that both faculty and staff costs have consistently shown favourable variances in salary costs due to delays in hiring, unfilled positions and historical budgeting.

It is also important to note that if the 2018/19 underspend does not materialize, the contingency reserve of $3.0 million is available to be used. Additionally, if a deficit gap still exists, accumulated Shared Service carryforwards and Faculty retained surpluses will be used.

3.1 Revenue

Revenues from student tuition fees and government operating grants account for 91% of the total operating revenues. Overall, total revenues are expected to decrease by $8.4 million or 2.8%. The following provides a comprehensive review of each major component of operating revenues and the factors causing the change from the previous year.

***Table 10**: Operating Revenue Components*

Operating Revenue Components				
Budget *(In 000's)*	**2018/19**	**2019/20**	**Change**	**%**
Tuition Fees	175,280	163,752	-11,528	-6.6%
Enrolment Based Grants	100,319	100,660	341	0.3%
Subtotal	**275,599**	**264,412**	**-11,187**	**-4.1%**
Other Revenue	24,539	27,374	2,835	11.6%
Total	**300,138**	**291,786**	**-8,352**	**-2.8%**

3.1.1 Tuition

Tuition Framework

Publicly funded tuition fees are governed by the Provincial Government's Tuition Fee Framework. The new tuition fee framework was announced on January 17, 2019 effective for the start of the academic year. A new tuition framework for colleges and universities will see tuition fee levels reduced by 10% relative to 2018/19 levels for domestic students in all provincial funding-eligible undergraduate and graduate programs starting in September 2019. Under the new framework, tuition fees will be frozen in 2020/21 at the same level as the 2019/20 tuition.

Factoring in the 2019/20 forecasted change in total students, the tuition fees for grant eligible programs is outlined below in Table 11. In addition to the program mix of students, as the reduction begins in September, part way through the fiscal year, the impact is less than 10%.

***Table 11**: Tuition Fees – Grant Eligible*

Tuition Fees – Grant eligible	**2018/19**	**2019/20**	**Change**	**% Change**
Undergraduate	124,930	113,360	-11,570	-9.3%
Graduate	11,880	12,725	845	+7.1%
Total Grant eligible tuition	**136,810**	**126,085**	**-10,725**	**-7.8%**

For other international students and non-publicly-funded programs and courses, the University has discretion over tuition fee increases as these are not eligible for provincial government funding and are not governed by the tuition fee framework. Tuition rates for these programs are guided by the market and Laurier's relative competiveness.

The following table shows the major components of the changes in tuition revenue for 2019/20 over 2018/19.

***Table 12**: Tuition Revenue Components*

Tuition Revenue Components				
Budget *(In 000's)*	**2018/19**	**2019/20**	**Change**	**%**
Undergraduate	153,890	140,017	-13,873	-9.0%
Graduate	20,590	23,435	2,845	13.8%
Cross-Registration	800	300	-500	-62.5%
Total	**175,280**	**163,752**	**-11,528**	**-6.6%**

Cross-registration fees relate to students who are cross-registered with both Laurier and the University of Waterloo. Revenue flows between the two institutions and represents an allocation for both tuition and grant. Over time, registration between the two institutions has begun to equalize.

Total UG tuition revenue is forecasted to decrease by 9.0%. With total UG enrolment remaining relatively stable for 2019/20, the decrease is the result of tuition rates. The 10% tuition reduction, results in a decrease of 9.1% for the average tuition rate for grant-eligible students for the fiscal year. The average tuition rate for grant-ineligible students increased by 2.7%.

Graduate tuition revenue is forecasted to increase by 13.8% overall with fees for students in grant-eligible and grant-ineligible programs forecast to increase by 7.1% and 23.0%, respectively. The 10% tuition fee reduction for students in grant-eligible at the graduate level, is offset by the anticipated enrolment increase, as well as the timing of the implementation partway through the fiscal year.

3.1.2 Government Grants

MTCU implemented a new funding model to allocate enrolment-driven operating grant revenue in fiscal 2017/18, aligned with the beginning of SMA2. Operating grant allocations for universities are now governed by an enrolment corridor mechanism that includes a negotiated midpoint, indicating the level of funded student enrolments. SMA2 provides for funding increases based on enrolment at the graduate level with 7.1% growth in funding eligible graduate spaces over the life of the agreement.

The funding model has two major components, in addition to special purpose envelopes targeted to specific sector priorities. The Core Operating Grant (COG) is the base level of funding tied to a specific level of grant-eligible enrolment measured in Weighted Grant Units (WGUs) and is governed by the enrolment corridor mechanism. The Differentiation Envelope component is based on performance outcomes. Currently Laurier has one of the lowest Differentiation Envelopes per student in the sector.

The following table outlines the major sources of government grant funding in fiscal 2019/20:

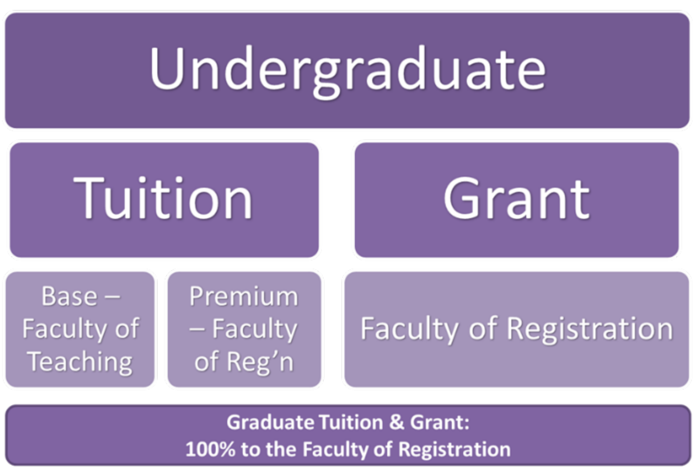
***Table 13**: Major Sources of Government Grant Funding*

Major Sources of Government Grant Funding				
Budget *(In 000's)*	**2018/19**	**2019/20**	**Change**	**%**
Core Operating Grant	95,371	95,775	404	0.4%
Differentiation Envelope	5,808	5,825	17	0.3%
International Student Recovery	-860	-940	-80	9.3%
Total	**100,319**	**100,660**	**341**	**0.3%**

3.1.3 Total Revenue by Faculty

Laurier's RCM budget model allocates revenue based on student activity. A base UG domestic tuition rate is allocated based on the Faculty teaching each course. Operating grant and any UG tuition premium over and above the base rate, as well as all graduate tuition, is allocated based on students' Faculty of Registration for their program. The figure below illustrates this allocation to the Faculties.

***Figure 5**: RCM Tuition/Grant Allocation*



The total revenue for each Faculty is broken down as follows:

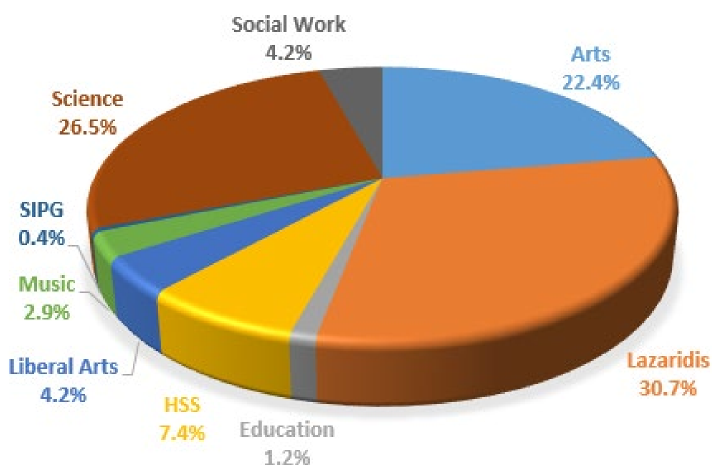
***Table 14**: Total Revenue by Faculty*

Total Revenue by Faculty (In Millions)				
Faculty	**2018/19**	**2019/20**	**Change**	**%**
Arts	62.9	59.1	-3.8	-6.0%
Lazaridis School	89.1	81.1	-8.0	-9.0%
Education	3.2	3.3	0.1	3.1%
FHSS	17.1	19.7	2.6	15.2%
Liberal Arts	14.1	11.1	-3.0	-21.3%
Music	7.6	7.7	0.1	1.3%
SIPG	1.3	1.1	-0.2	-15.4%
Science	69.6	70.1	0.5	0.7%
Social Work	10.7	11.2	0.5	4.7%
Total	**275.6**	**264.4**	**-11.2**	**-4.1%**

***Note:** Includes external revenue share reduction*

The change in tuition and grant revenue by faculty reflects the 10% tuition reduction, as well tuition rate increases for international students, and enrolment growth. Several Faculties were able to offset the impact of the tuition reduction through increased enrolment and student mix. In addition to the graduate growth for Faculty of Social Work and Faculty of Human & Social Sciences, the latter also anticipates an increase in undergraduate students. The tuition reduction is further impacted for the Faculty of Liberal Arts due to expected decreases in undergraduate enrolment for the upcoming year.

***Chart 6**: Total Revenue Allocation by Faculty*



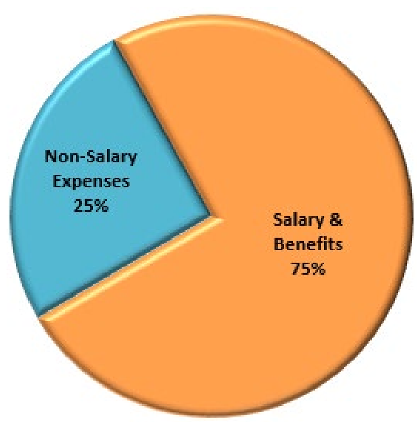
Other Income & Fees

Other income & fees are expected to increase $2.8 million from the prior year. This category includes the student fees for essential services (formerly the Comprehensive Student Services fee) as well as other general fees and program revenues such as transcript fees, co-op/internship fees, application fees, athletics, financing income, student interest, and teaching support services. The Lazaridis Institute which is funded by $15.0 million provincial grant (paid over 10 years), of which, $0.9 million was received in 2019/20. Additionally, as a result of the renewed Student Affairs Administrative Agreement renewal in 2018, which has a 3 year term with fixed fee increases tied to enhancement in service, increases in the essential fee revenue of $0.8 million is due to this fixed fee increase for fiscal 2019/20.

3.2 Expenses

The key drivers that impact salary rate expenditures are government policy regarding executive compensation and regular negotiated settlements through the collective bargaining process. The financial obligations with respect to the financing of Laurier's Pension Plan require going concern deficiency payments and annual current service costs. Expenditures are also impacted by investments that are needed to support strategic investments, inflationary costs, regulatory requirements and other growth and quality requirements. Overall, total expenses are expected to increase by $9.6 million or 3.2%. Faculty and staff salaries and employee benefits account for 75% of the total operating expenditures. Chart 8 depicts the breakdown of total expenses.

***Chart 7**: Total Expenses Breakdown*



3.2.1 Direct Cost of Teaching

Direct teaching costs are aligned with enrolment growth and results from the creation of new programs and the related new program budgets are reviewed and approved by Senate Finance and Finance.

***Table 15**: Direct Cost of Teaching*

Faculty	Description	BASE	OTO	Total
Social Work	Masters of Social Work (online) - Field Advisor		81,634	81,634
	Masters of Social Work (online) - stipends		489,000	489,000
	Masters of Social Work - Manager		101,555	101,555
		-	672,189	672,189
Science	Physics, Computer Science - Tenure track faculty	122,000		122,000
	Lab Support (Data Science, Biology, Math)	168,218		168,218
		290,218	-	290,218
Education	International Education - CAS		51,791	51,791
	Master of Education - CAS		27,215	27,215
	International Education - Administrative		17,860	17,860
		-	**96,866**	**96,866**
Grand Total		**290,218**	**769,055**	**1,059,274**

3.2.2 Unit Costs

The table below lists the Unit Costs that are being recommended for approval in 2019/20. All of these unit costs are being funded through the unit's reallocations, carryforwards or appropriations.

***Table 16**: Unit Costs*

	BASE	OTO	TOTAL	%
Student Support/Student Services	338,426	679,875	1,018,301	33%
Public Relations/Community Relations		865,076	865,076	28%
Administrative Support		319,666	319,666	10%
Investments in Technology		250,000	250,000	8%
Academic Support		210,576	210,576	7%
Institutional Initiatives		161,755	161,755	5%
Recruitment Initiatives		132,457	132,457	4%
Research Support	84,694	-	84,694	3%
Health & Safety		81,669	81,669	3%
	423,120	**2,701,074**	**3,124,194**	**100%**
Funded through units	-423,120	-2,622,285	-3,045,405	
Centrally funded	-	**78,789**	**78,789**	

3.2.3 Institutional Costs – Unit Oversight

Institutional costs with unit oversight are costs that are directly attributed to a unit, and the unit has the responsibility to oversee the cost. However, the unit has limited control over how the cost may increase or decrease. Reflected below are the changes that have been incorporated into the budget.

***Table 17**: Institutional Costs – Unit Oversight*

	Base	OTO	Total
Foreign Exchange	0	1,031,979	1,031,979
Investments in Technology	964,582	0	964,582
Scholarships	-1,059,654	0	-1,059,654
Contractual Obligations	-466,318	896,500	430,182
Academic Support	156,000	0	156,000
Operations	-100,000	0	-100,000
Other	-28,285	0	-28,285
Total	**-533,675**	**1,928,479**	**1,394,804**

3.2.4 Institutional Costs – Central Oversight

Institutional costs with central oversight are costs that cannot be directly attributed to any one unit. These costs are reviewed centrally for any changes that may cause the cost to increase or decrease. Reflected below are the changes that have been incorporated into the budget.

***Table 18**: Institutional Costs – Central Oversight*

	Description	BASE	OTO	Total
Revenue	Bank Interest Income	500,000		**500,000**
		500,000	**0**	**500,000**
Expenses	Institutional Reserve (Security)	300,000		**300,000**
	Special Pension Arrangements	37,000		**37,000**
	Reallocations from unit oversight	173,254		**173,254**
	Contingency top-up *	40,337		**40,337**
		550,591	**0**	**550,591**
Grand Total		**50,591**	**-**	**50,591**

** to bring contingency back up to $3.0 million which reflects a modest 1% of the University Budget.*

3.2.5 Commentary to 2019/20 Budget by Expense

This section provides detailed commentary to the 2019/20 Budget including review of the major drivers influencing the expenditure assumptions. Further, it provides explanation and highlights the major variances to expenditures as noted in Table 9 for 2019/20 as compared to the 2018/19 Budget.

The following provides a comprehensive review of each major component of University Operating Budget expenses and the factors increasing and decreasing over the previous year that result in this overall increase.

Salary & Benefit Expenses

Salaries and benefits for Faculty and staff (full and part-time) make up the largest portion of the University's operating expenditure budget ($232 million or 75%).

The salary and benefit assumptions continue to reflect that increases will continue, as per previous years' experience. The salaries & benefits increases for 2019/20 over the previous year of $11.4 million or 5.2%, is a result of the following major salary and benefit related budget components:

Full/Part Time Faculty Costs – Increase of $3,334,000

Compensation increases of $3.3 million driven by collective agreements are the largest cost driver of this budget category. Increases related to the direct cost of teaching expenses were offset by the realization of prior year reductions.

Full/Part Time Staff Costs – Increase of $4,492,000

Increases of $2.0 million from known and expected salary rate increases as per collective agreements are the largest cost driver of this budget category. The following major changes also contributed to the year-over-year change:

- Section 3.2.1 Direct Cost of Teaching - $288,000
- Section 3.2.2 Unit Costs - $1.8 million

Statutory & Fringe Benefits – Increase of $2,621,000

This amount is based on the current and projected increase in the Faculty and staff complement. This budget is estimated on an average percentage rate which was increased by 1% for 2019/20. The average percentage rate increase reflects the health and dental increases for the upcoming year. Contributors to the increase also include the unit costs and direct cost of teaching that impacted faculty and staff positions.

Pension Plan: Current Service Costs & Pension Plan Deficiency – Increase of $510,000

The Current Service Cost is set by the Actuary based on the results of the Plan valuation and is intended to cover the cost of benefits earned by Pension Plan members for the coming year. The Current Service Cost is calculated as a percentage of pensionable salary.

In addition to Current Service Costs, the University must pay for any unfunded deficits that have occurred in the Plan. Pension Plan deficiencies are calculated by the Actuary at the time of the Plan's formal Valuation, which, in Laurier's case, was done as at April 30, 2017. There are two calculations, both reflecting the funded status of the Plan at a point in time. The Going Concern valuation provides an assessment of the Plan's financial position at the valuation date on the premise the Plan continues into the future indefinitely. Based on the current funding framework, Going Concern Deficits must be amortized over a period not to exceed 15 years. Laurier's Going Concern Deficit as at April 30, 2017 is $29.6 million. The Solvency valuation is intended to provide an assessment of the Plan's financial position at the valuation date on the premise that certain obligations as prescribed by the act are settled on the valuation date for all members should the Plan wind up. The Actuary must comply with more restrictive assumptions and methodologies when performing this calculation. Laurier's last Valuation showed a Solvency Deficit of $35.8 million.

Based on the actuarial calculations, the University made special annual payments of $6.3 million in 2018/19 and is required to contribute at this level thereafter to fund the deficit.

Pension costs are escalating internationally and Canadian employers, including universities, are challenged to meet the true cost of providing these benefits. Laurier is no different and steps have been taken to mitigate the high cost escalation through Plan design changes such as increased contributions. The 2019/20 Budget contains provision of $6.3 million (2018/19: $6.3 million) in Going Concern Deficit special payments and Current Service Costs of $18.5 million (2018/19: $18.0 million).

Retirees, Parental, Tuition Exemptions – Increase of $386,000

Based on actual experience, increased both the parental benefits and the tuition waiver program benefits.

Non-Salary Expenses

This category, which includes a number of non-salary budgets, decreased by $1.8 million year-over-year. The following explains the main cost category changes:

Equipment/Software – Increase of $495,000

The largest change was an increase to ICT Hardware/Software maintenance of $287,000 (Institutional Cost-Unit) and $150,000 investment for new Applicant Tracking System which will replace an outdated system and be used as a recruitment and Onboarding system that will support recruitment for faculty and staff. Foreign exchange resulted in a year-over-year increase to ICT software maintenance contracts of $82,000. Offsetting this overall increase is budget reallocations to align with expected spend to other categories.

Library Acquisitions – Increase of $378,000

In the library, a significant portion of the E-resources and serials are acquired in US currency. Each year, the foreign exchange is reviewed and a corresponding adjustment is made. For 2019/20, the rate of $0.75 USD/$1.00 CAD was used versus $0.80 USD/$1.00 CAD in 2018/19. The weakening of the rate assumption accounts for $222,000 of the change year-over-year. Offsetting the improvement is an additional inflation adjustment of 5% on E-Resources accounting for $156,000.

Scholarship & Bursaries/TAs - Decrease of $1,027,000

A reduction in Tuition Set-Aside (TSA) obligations of a minimum of $730,000 is a result of the 10% tuition reduction. TSA is a reserve of a portion of additional revenue resulting from tuition fee increases for need-based student assistance. The calculation takes into account both enrolment growth and the change in the average tuition fee. Other changes within this category include a reduction in graduate TA-ships and an increase to the undergraduate entrance scholarships based on analysis of enrolments and prior year spending.

Travel Expenses – Increase of $171,000

This increase is a result of aligning budgets with expected spending.

Facility Rentals/Occupancy Costs – Decrease of $231,000

Planned consolidation of administrative space at 202 Regina starting in August 2019 will reduce reliance on external leased premises yielding savings of approximately $715,000 of base budget which will be repurposed. Similarly a termination of a Brantford leased space in August yields $136,000 of base budget savings for 2019/20. One time only budget for the remainder of both leases totalling $408,000 will result in additional budget savings in 2020/21. Offsetting these decreases is the addition of leased space in Milton.

Supplies & General Expense – Decrease of $418,000

This category includes a multitude of account categories across all units within the University. This category decreased overall mainly due to significant 2018/19 OTO initiatives that did not continue in 2019/20. Offsetting this decrease includes increases to both institutional costs – unit and central (for example, a full year of Brantford YMCA operations and security for street events), as well as increases to unit costs (Table 16).

Capital and Deferred Maintenance – Decrease of $239,000

Two major changes contribute to this overall decrease. The FRP (Facilities Renewal Program) funding is not guaranteed going forward and therefore the FRP budget from last year of $1.1 million has not been included in the 2019/20 budget. However, since deferred maintenance expenditures continue to be a major challenge as aging buildings and infrastructure deteriorate, utility savings realized from the LEEP program of $875,000 is being repurposed for deferred maintenance.

Equipment/Operating Renewal – Increase of $153,000

An increase of $53,000 resulted from the Institutional Cost – unit oversight process where it was determined additional funding of $53,000 was required for ICT technology for centrally bookable and department-owned rooms. In addition, $100,000 was directed to equipment replacement in the Fitness Centre to ensure consistent level of service and to keep pace with the industry. This initiative is being funded through the Student Comprehensive Student Services fee (Essential).

Utilities, Insurance & Taxes – Decrease of $1,011,000

The major decrease resulted from utility savings of $975,000 realized through the LEEP program. The majority of the savings of $875,000 is being repurposed for deferred maintenance with the remainder of the savings continuing to fund a position responsible for ongoing cost saving initiatives.

Contingency – no change

Contingency is maintained at $3.0 million which reflects a modest 1% of the University Budget.

Institutional Reserve – Decrease of $50,000

In 2018/19 an institutional reserve was set up for the annual premium cost of a Cyber Security insurance policy. In 2019/20, this insurance was reallocated to the Insurance Office budget.

Table 19: *2019/20 Expense Budget by Unit*

Table 19 summarizes the "expense only" Operating Budget by Faculty and Shared Service. The budget includes both the departmental costs as well as the Institutional costs-unit oversight as these are the expenses that the unit has the responsibility for overseeing.

2019/20 Expense Budget by Unit *(In 000's)*

	Budget 2018/19	Budget 2019/20	Change	% Change
Faculty of Arts	38,045	38,345	301	0.8%
Faculty of Education	1,769	1,808	39	2.2%
Faculty of Human Social Sciences	8,409	8,039	-370	-4.4%
Faculty of Liberal Arts	8,454	8,917	464	5.5%
Lazaridis School of Business & Economics	44,733	46,531	1,798	4.0%
Faculty of Music	8,001	8,515	513	6.4%
Faculty of Science	33,599	35,297	1,699	5.1%
Faculty of Social Work	8,239	8,805	566	6.9%
SIPG	1,529	1,505	-24	-1.6%
Total Faculties	**152,778**	**157,763**	**4,985**	**3.3%**
President	2,956	3,179	223	7.6%
Provost & VP: Academic	60,164	61,411	1,248	2.1%
VP - Finance & Administration	44,877	45,664	787	1.8%
SEO - Brantford	617	554	-63	-10.2%
VP - Advancement and External Relations	9,926	10,993	1,067	10.7%
VP - Research	2,364	2,352	-12	-0.5%
VP - Student Affairs	19,219	20,797	1,579	8.2%
Total Shared Services	**140,122**	**144,951**	**4,829**	**3.4%**
Total Institutional - Central Oversight	**13,320**	**12,031**	**-1,289**	**-9.7%**
Less: Cost Recoveries	*-5,194*	*-4,543*		
Total Expenses	**301,025**	**310,202**	**8,526**	**2.8%**

Total Faculties – Increase of $5.0 million or 3.3%

Salary increases account for $4.3 million of the faculty direct cost change. Direct cost of teaching increased by $1.1 million as outlined in Table 15. Offsetting this increase is $1.0 million related to scholarships & bursaries and TA-ships as described in section 3.2.5.

VP – Provost & VP: Academic – Increase of $1.2 million or 2.1%

Major drivers of the change include salary & benefit increases ($0.8 million) as well as changes to institutional costs – unit oversight ($0.5 million) primarily for inflation on ICT maintenance agreements and library acquisitions.

VP – Advancement and External Relations – Increase of $1.1 million or 10.7%

Unit costs of $0.9 million (Communication, Public Affairs and Marketing, Development & Alumni Relations and University Relations) which were fully funded by the unit, contribute to the overall increase year over year.

3.3 Budget by Faculty

Table 20 summarizes the Faculty allocation under the RCM Budget model. Overall, Faculty bottom-line positions are ($29.7) million after the University Fund contribution of $21.2 million.

Table 20: *2019/20 Budget by Faculty*

2019/20 Budget by Faculty *(In 000's)*

	FACULTIES									
	Arts	Lazaridis	Education	HSS	Liberal Arts	Music	SIPG	Science	Social Work	Total
Tuition & Grant Revenue	59,106	81,128	3,263	19,687	11,122	7,666	1,089	70,121	11,231	264,413
Non-Tuition & Grant Revenue	543	2,438	148	36	41	198	183	531	270	4,388
Total Revenue	**59,649**	**83,566**	**3,411**	**19,723**	**11,163**	**7,864**	**1,272**	**70,652**	**11,501**	**268,801**
Direct Costs	38,345	46,531	1,808	8,039	8,917	8,515	1,505	35,297	8,805	157,763
Contribution Margin	**21,303**	**37,035**	**1,602**	**11,684**	**2,245**	**- 650**	**- 233**	**35,355**	**2,696**	**111,038**
Shared Service Allocation	29,315	34,925	1,275	7,053	6,094	5,101	1,084	29,999	4,733	119,579
University Fund Revenue Assessment (	4,728	6,490	261	1,575	890	613	87	5,610	898	21,153
Bottom-Line Position	**-12,740**	**-4,380**	**66**	**3,056**	**-4,738**	**-6,365**	**-1,404**	**-254**	**-2,935**	**-29,694**

Note: *School of International Policy and Governance (SIPG) full-time faculty costs are reflected in the direct costs of the cross-appointed Faculty (Arts = $1.3M; Lazaridis School = $0.3M; Science = $0.4M)*

The bottom-line position of each Faculty reflects the tuition revenue decrease for 2019/20, while overall direct costs are increasing. For some Faculties, notably Human & Social Sciences, anticipated enrolment increases offset the impact.

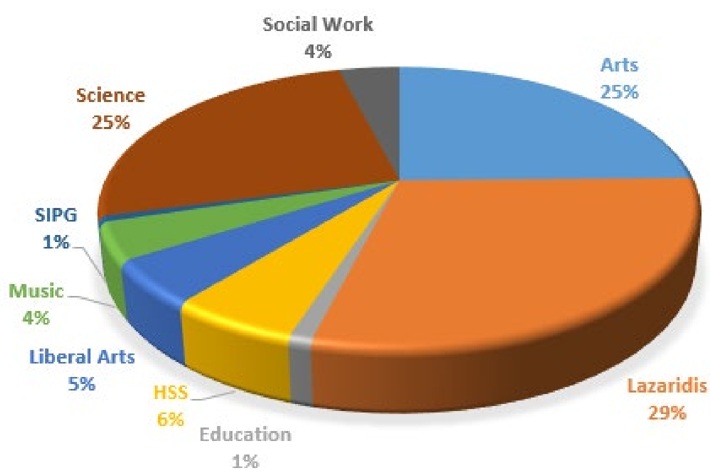
3.3.1 Shared Service Allocation

Table 21: *Shared Service Allocation*

Cost Pool	Departmental	Institutional: Unit Oversight	Grand Total
Central Support Services	23,054,361	2,119,927	25,174,288
Development & Alumni	4,611,403	-	4,611,403
Faculty, Staff & Student Services	21,437,154	17,418,169	38,855,323
Occupancy	17,143,942	8,101,112	25,245,054
Research Support	1,468,540	-	1,468,540
Scholarships & Bursaries	197,476	6,970,520	7,167,996
Student Support	16,626,667	430,000	17,056,667
Grand Total	**84,539,543**	**35,039,728**	**119,579,271**

The chart below illustrates the shared service allocation by Faculty using the cost driver methodology.

Chart 8: *Shared Service Allocation by Faculty*



3.3.2 Transition Plan

The Transition Plan outlines how, over a five year period, Faculties will transition from their historical budget allocations to an RCM allocation informed by their revenue. In particular, the Transition Plan outlines how Faculties' returned surpluses and subventions will be administered over the five years.

As described as a key component of the 2019/20 Operating Budget Context, for 2019/20, the third year of the Transition Plan is being paused to align with the university's overall budget approach. The 2020/21 budget process will consider the appropriate timing and structure of the Transition Plan moving forward. For 2019/20, the budget includes direct costs of teaching to support growth and limited one-time-only internal reallocations to support the priorities of Faculties in a surplus position.

***Figure 6**: Surplus Holdback Schedule*

	2017/18	2018/19		2019/20	2020/21	2021/22	
Holdback	90%	85%	Paused	60%	30%	0%	Review
% of Surplus Holdback Returned	10%	15%		40%	70%	100%	
Total	100%	100%		100%	100%	100%	

Part C – Multi-Year Budget Forecast

The Multi-Year Operating Budget model starts with 2018/19 Budget as the base and consistently applies assumptions used in developing the 2019/20 Operating Budget. It incorporates revenue expectations reflecting the government's current policy on the tuition rate framework and the government corridor funding formula for grants, the University's enrolment plan, and projections. Inflationary factors have been added to non-salary costs, however, strategic investment assumptions have not been included in future years. The assumptions in the Multi-Year Budget forecast include the following:

ASSUMPTIONS:

Revenue:

Undergraduate:

- 1st year domestic intake headcount increases to 4,400 by 2022/23 (4,239 in 2019/20 budget)
- Student retention rate remains unchanged
- International headcount increases 0.5% per year to 8.5% of total UG headcount by 2022/23
- Domestic tuition rate increases by 3% starting 2021/22 (rate frozen for 2019/20 & 2020/21)
- International tuition rate increases by 3% starting 2020/21
- Other revenue & other grant remain at same level as 2019/20

Graduate:

- Domestic headcount remains flat
- International headcount remains flat
- Domestic tuition rate increases by 3% starting 2021/22 (Cost recovery programs start in 2020/21)
- International tuition rate increases by 3% starting 2020/21

Grant:

- Government operating grant remains flat under SMA3
- No change on grant of graduate expansion and special purpose envelopes and assumes performance targets are met

Salary & Benefits:

- Salary increases forecasted at expected rates based on previous agreements
- Adjusted Student faculty ratio due to increase in enrolment
- No change to pension service cost/pension deficiency

Non-Salary Expenses:

- No new Strategic Investments included in future years (i.e. unit costs found within existing/reallocated budget to meet priorities)
- 2% inflation on non-salary expenses

In preparing the multi-year model, certain assumptions and estimates were necessary. The assumptions and estimates are based on information available to management at the time of preparing the 2019/20 Operating Budget. Users of this information are cautioned that actual results may vary.

Table 22 provides a very high level overview of the Operating Budget forecast over the next three years.

***Table 22**: Multi-Year Operating Budget Model*

Three Year Scenario *(In 000's)*

	2018/19	2019/20	2020/21	2021/22	2022/23
	Budget	Forecast	Forecast	Forecast	Forecast
Tuition Fees	175,280	163,752	167,182	176,836	187,306
Operating Grant *(net of ISR)*	100,319	100,660	100,584	100,501	100,409
Tuition/Enrolment Grant	**275,599**	**264,412**	**267,766**	**277,337**	**287,715**
Other Income & Fees	24,539	27,374	27,068	27,068	27,068
Revenue Total	**300,138**	**291,786**	**294,834**	**304,404**	**314,783**
Salary & Benefit Expenses	220,396	231,752	236,184	243,465	251,168
Non-Salary Expenses	80,229	78,450	78,318	79,753	81,226
Total Expenses	**300,625**	**310,202**	**314,502**	**323,217**	**332,394**
Surplus(Deficit) B4 Options	**-487**	**-18,416**	**-19,668**	**-18,813**	**-17,611**
Revenue increase/Cost reduction (current year)			*5,900*	*5,900*	*5,811*
Revenue increase/Cost reduction (Cummulative)				*5,900*	*11,800*
Surplus(Deficit) adjusted			***-13,768***	***-7,013***	***0***
Budget Balancing Options					
Unit Costs funded from Reserves/Cfwds		2,622			
Appropriations	487	13,183			
18/19 anticipated surplus		2,611			
Surplus(Deficit)	**0**	**(0)**	**-13,768**	**-7,013**	**0**

Even though cost targets were not built into the 2019/2020 budget, various strategies for revenue generation and cost reductions are currently being explored to help the university adjust to this reduction in tuition revenue, as it will take time for savings to take effect. Laurier will seek collaborative options that align with our long-term goals to tackle this financial challenge.

The deficits that are projected in future years will require funding to close these early deficits. If the mandate is to eliminate the structural deficit in three years, the approximate dollar value of revenue generation and/or cost reduction required is shown above. This approximation is for illustration purposes only.

Part D – Ancillary Budget

The Ancillary Budget is separate and distinct from the Operating Budget. All direct expenditures incurred in service areas of the University (e.g. facilities management) are charged to the ancillary operations as they are required to be self-sustaining.

The various operations within the Ancillary Budget include Food Services, One Card, Conferences, Residences, Bookstore, Parking, Printing and Copying Services. Table 23 provides a breakdown of the reserve funds by Ancillary operation and Table 24 provides a summary of the 2019/20 Budget being submitted for approval. Also included is Table 25 which summarizes the 2019/20 Budget by the various Ancillary operations. The following provides highlights of the major changes in revenues and expenditures for the ancillary operations as compared to 2018/19.

Summary - (increase $0.19 million in 2019/20)

The revenue of the ancillary enterprises is estimated to decrease by 4% from a budgeted $48.1 million in 2018/19 to $46.2 million in 2019/20. New sources of income include the new café opened in the Frank Peters Building in winter 2019 (Food Services) and Pay & Display parking operations at Frank Peters Building. The demographics of first-year students was different from anticipated enrolment in 2018/19. This difference affected the Residences occupancy rate in Waterloo and subsequently there were less mandatory meal plans. This has a direct financial impact to Food Services based on our minimum guarantee with our contracted partner Aramark.

Expenses are forecast to decrease by 5% from a budgeted $44.5 million in 2018/19 to $42.3 million in 2019/20. The budgeted net surplus before appropriations was $3.7 million in 2018/19 and is expected to increase to $3.9 million in 2019/20. The net position after appropriations is expected to decrease from a budgeted surplus of $0.63 million in 2018/19 to $0.62 million in 2019/20. Reserve contributions to fund ongoing renewals and capital investments are forecast to increase from a $2.9 million in 2018/19 to budgeted $3.2 million in 2019/20.

The budgeted appropriations for 2019/20 consist of a $20,000 transfer to Teaching & Learning and a $20,000 transfer to Athletics from Retail Services. Any additional surplus is allocated to a reserve fund for maintenance of existing capital stock and for future projects/growth. The only exceptions are Food Services where the budgeted surplus will be allocated to reducing the Unappropriated Ancillary Fund.

***Table 23**: Ancillary Reserve Funds*

	Ancillary Reserve Funds	Food Services	One Card	Conferences	Residence Waterloo	Residence Brantford	Retail Services	Parking Services	Printing Services
2018/19	Opening Balance at May 1, 2018	(5,042)	210	1,120	3,333	543	312	1,400	165
	Budget Net Surplus/(Deficit)	631	27	94	1,649	715	204	350	6
	Contribution to Operating						120		
	Projected Transfers from Reserve	0	0	400	1,200	0	120	251	4
	Ending Balance at April 30, 2019	**(4,411)**	**237**	**814**	**3,782**	**1,258**	**276**	**1,499**	**167**
2019/20	Opening Balance at May 1, 2019	(4,411)	237	814	3,782	1,258	276	1,499	167
	Budget Net Surplus/(Deficit)	624	1	128	1,534	787	292	445	51
	Contribution to Operating						40		
	Projected Transfers from Reserve	0	50	75	1,074	0	0	242	0
	Ending Balance at April 30, 2020	**(3,787)**	**188**	**867**	**4,242**	**2,045**	**528**	**1,702**	**218**

Table 24: *2019/20 Ancillary Budget Summary*

2019/20 Ancillary Budget Summary

In $000's	2018/19 Budget	2019/20 Budget	$ Chg	% Chg
Summary by Revenue and Expense Type				
Revenue	48,136	46,184	(1,952)	(4)%
Cost of Goods Sold	10,423	9,974	449	4%
Salaries and Benefits	7,349	7,390	(41)	(1)%
Debt Service Expense	5,234	5,092	142	3%
Other Expenses	21,453	19,866	1,587	7%
Total Expenses	44,459	42,322	2,137	5%
Net Surplus /(Deficit) Before Appropriations	**3,676**	**3,862**	**186**	**5%**
Summary by Ancillary				
Food Services	631	624	(7)	(1)%
One Card	27	1	(26)	(96)%
Conferences	94	128	34	36%
Residences-Waterloo	1,649	1,534	(115)	(7)%
Residences-Brantford	715	787	72	10%
Retail Services	204	292	88	43%
Parking	350	445	95	27%
Printing Services	6	51	45	750%
Net Surplus/(Deficit) Before Appropriations	**3,676**	**3,862**	**186**	**5%**
Appropriations				
Transfers to Operating Fund				
Online Learning	(100)	(20)		
Athletics	(20)	(20)		
Total Appropriations	(120)	(40)		
Transfers (to)/from Capital Reserves				
Residence Capital Reserve	(2,364)	(2,321)		
Parking Lot Reserve	(350)	(445)		
Conference Capital Reserve	(94)	(128)		
OneCard Capital Reserve	(27)	(1)		
Retail Services Capital Reserve	(84)	(252)		
Printing Services Capital Reserve	(6)	(51)		
Total Transfers (to)/from Capital Reserves	(2,925)	(3,198)		
Total Appropriations and Transfers	(3,045)	(3,238)		
Net Surplus/(Deficit) after Appropriations	**631**	**624**	**(7)**	**(1)%**
Estimated Unappropriated Ancillary Fund				
Opening Balance	(5,042) [1]	(4,411)		
Closing Balance	**(4,411)** [2]	**(3,787)**		

[1] This represents the Food Services Deficit

[2] Positive balances moved to Capital Reserves - this now represents the Food Services Deficit

Table 25: *2019/20 Ancillary Budget Detail*

2019/20 Ancillary Budget Detail

In $000's	2018/19 Budget	2019/20 Budget	$ Chg	% Chg
Food Services				
Revenue	1,277	1,246	(31)	(2)%
Salaries and Benefits	139	91	(48)	(35)%
Debt Service Expense	50	50	0	0%
Other Expenses	456	481	25	5%
Food Services Total	**631**	**624**	**(7)**	**(1)%**
One Card				
Revenue	574	542	(32)	(6)%
Cost of Goods Sold	70	80	10	14%
Salaries and Benefits	334	361	27	8%
Other Expenses	143	100	(43)	(30)%
One Card Total	**27**	**1**	**(26)**	**(96)%**
Conferences				
Revenue	1,510	1,701	191	13%
Salaries and Benefits	365	370	5	1%
Other Expenses	1,052	1,203	151	14%
Conferences Total	**94**	**128**	**34**	**36%**
Residences-Waterloo				
Revenue	25,258	23,412	(1,846)	(7)%
Salaries and Benefits	3,002	3,085	83	3%
Debt Service Expense	4,439	4,297	(142)	(3)%
Other Expenses	16,168	14,496	(1,672)	(10)%
Residences-Waterloo Total	**1,649**	**1,534**	**(115)**	**(7)%**
Residences-Brantford				
Revenue	4,011	4,136	125	3%
Salaries and Benefits	479	555	76	16%
Debt Service Expense	634	634	0	0%
Other Expenses	2,183	2,160	(23)	(1)%
Residences-Brantford Total	**715**	**787**	**72**	**10%**
Retail Services				
Revenue	12,829	12,359	(470)	(4)%
Cost of Goods Sold	9,848	9,364	(484)	(5)%
Salaries and Benefits	2,028	2,016	(12)	(1)%
Debt Service Expense	36	36	0	0%
Other Expenses	713	651	(62)	(9)%
Retail Services Total	**204**	**292**	**88**	**43%**
Parking				
Revenue	1,383	1,509	126	9%
Salaries and Benefits	405	410	5	1%
Other Expenses	627	654	27	4%
Parking Total	**350**	**445**	**95**	**27%**
Printing Services				
Revenue	1,294	1,279	(15)	(1)%
Cost of Goods Sold	505	530	25	5%
Salaries and Benefits	597	502	(95)	(16)%
Debt Service Expense	75	75	0	0%
Other Expenses	111	121	10	9%
Printing Services Total	**6**	**51**	**45**	**750%**
Total Surplus (Deficit) Before Appropriations:	**3,676**	**3,862**	**186**	**5%**
Total Appropriations	**(3,045)**	**(3,238)**		
Net Surplus (Deficit) after Appropriations	**631**	**624**	**(7)**	**(1)%**

Part E – Real Estate Budget

The Real Estate ancillary will have a deficit in 2019/20 resulting from One Market operations. 2019/20 revenue for the One Market portfolio is based on the current rent roll. The City of Brantford continues to occupy space net rent-free as part of the purchase agreement but pays for its proportionate share of the operating costs.

Major renovations including roof work and HVAC systems will be completed in 2019/20 as the building begins the early phases of its transformation as set out in the Master Plan completed by Moriyama & Teshima Architects in 2018. There will be rent savings as properties previously leased by Laurier are vacated and various uses such as Student Services begin to occupy One Market. This will positively contribute to operating costs.

Two new houses were added to the house portfolio at the end of 2018/19, completing the assembly of the Ezra - Bricker block of land. This results in an increase in revenue and operating costs for the house portfolio.

2019/20 will see a change in the rent model employed for all units in the Ezra-Bricker Apartments and House portfolio. The new model is an all-inclusive rate that includes the collection of utility costs from the tenants. This results in increased revenue for 2019/20 and a partially offsetting increase in the operating costs.

Capital repairs and improvements for the year are focused on energy efficiencies that will reduce water and hydro costs and reduce green house gas emissions. They will be funded through the reserve funds.

The combined house and Ezra-Bricker portfolio net income in 2019/20 will cover real estate administration expenses and provide a $0.07 million contribution to the university's operating budget. The combined portfolio also funds a full time Manager to oversee legal aspects relating to leases, acquisitions and compliance matters with the City of Waterloo and the City of Brantford. Half of the costs for a financial analyst are also funded through this portfolio.

Table 26: *Real Estate Reserve Funds*

Real Estate (in $000's)		Reserve Funds	Unappropriated Reserve Funds
2018/19 **BUDGET**	Opening Balance at May 1, 2018	789	(919)
	Budget Net Surplus/(Deficit)	283 [1]	(864)
	Less Contribution to Operating	70	
	Projected Transfers to/from Reserve	122	
	Ending Balance at April 30, 2019	**880**	**(1,783)**
2019/20 **BUDGET**	Opening Balance at May 1, 2019	880	(1,783)
	Budget Net Surplus/(Deficit)	705 [2]	(868)
	Less Contribution to Operating	70	
	Projected Transfers to/from Reserve	298	
	Ending Balance at April 30, 2020	**1,217**	**(2,651)**

[1] 2018/2019 Budget of $283K did not include $300K in mortgage interest.

[2] 2019/2020 Budget of $705K includes $300K in mortage interest.

Table 27: *2019/20 Real Estate Budget Detail*

2019/20 Real Estate Budget Detail *(In 000's)*

	2018/19 Budget	2019/20 Proposed Budget
Ezra/Bricker Apartments		
Rental Revenue	5,171	5,353
Ancillary Revenue	111	604
Net Cash Rental Revenue	5,282	5,957
Operating Expenses	1,305	1,802
Management Fees	214	224
Net Income before debt service expense	3,763	3,931
Debt Service Expense		
Principal Portion	1,654	1,750
Interest Portion	1,728	1,631
Ezra/Bricker Apartments	**381**	**550**
House Properties		
Rental Revenue	791	1,046
Operating Expenses	307	457
Management Fees	27	33
Net Income before debt service expense	458	555
Internal Loans	454	544
House Properties	**4**	**11**
Market Square Properties		
Rental Revenue	1,497	1,494
Less: Prepaid Rent (acquisition costs)	745	773
Net Cash Rental Revenue	752	721
Operating Expenses	1,102	1,076
Management Fees	0	-
Net income before debt service expense	(351)	(355)
Debt Service Expense		
Principal Portion	224	238
Interest Portion	289	276
Market Square Properties	**(864)**	**(868)**
Real Estate Administration	**(102)**	**(156)**
Surplus (Deficit) Before Operating Fund Contribution	**(580)**	**(464)**
Contribution To Operating Fund	70	70
Net Surplus (Deficit) to/(from) Reserve Fund	**(650)**	**(534)**

Appendix I: Acronyms used in Budget document

Acronym	Description
CAS	Contract Academic Staff
COG	Core Operating Grant
COGS	Cost of Goods Sold
COU	Council of Ontario Universities
CUPE	Canadian Union of Public Employees
ELT	Executive Leadership Team
EMTM	Executive Master's in Technology Management
F&I	Finance & Investments Committee
FFTE	Fiscal Full-time equivalent
FHSS	Faculty of Human and Social Sciences
FRP	Facilities Renewal Program
FT	Full-time
FTE	Full-Time Equivalent
FHSS	Faculty of Human Social Sciences
ICT	Information and Communications Technologies
LEAF	The Laurier English and Academic Foundation
LEEP	Local Energy Efficiency Partnerships
MA	Masters
MAESD	Ministry of Advanced Education and Skills Development
MBA	Master of Business Administration
MEV	Milton Education Village
MSW	Master of Social Work
MTCU	Ministry of Training Colleges and Universities
OTO	One Time Only
PT	Part-time
RCM	Responsibility Centre Management
SAP	Strategic Academic Plan
SEM	Strategic Enrolment Management
SEO	Senior Executive Officer
SIPG	School of International Policy and Governance
SMA	Strategic Mandate Agreement
STEAM	Science, technology, mathematics and the arts
TA	Teaching Assistant
UF	University Fund
UG	Undergraduate
VP	Vice-President
VPA	Vice-President Academic
WGU	Weighted Grant Units
WLU	Wilfrid Laurier University
WLUFA	Wilfrid Laurier University Faculty Association
WLUSA	Wilfrid Laurier University Staff Association

Appendix II: Glossary of Budget Terms

Budget Term	Description
BIU	A weighted measure of enrolment activity, based on FTE enrolment, used for grant calculation/allocation purposes up to and including the 2016/17 fiscal year. The weighting factor is based on a student's academic program and level of study, and reflects the differing relative costs of educating students in different programs and levels of study.
Core Operating Grant (COG)	The weighted enrolment measure used as a basis for calculating the COG is called the Weighted Grant Unit (WGU) and replaces the BIU. The operating grant revenue provided by the COG is calculated based on an equal level of funding per WGU. The number of WGUs per student, and therefore the grant funding, does vary based on the program and the year of study. The COG also includes the grant funding for students in the Consecutive Education program.
Differentiation Envelope	A grant envelope that, in future years (i.e. SMA3), may be used to allocate grant funding on outcome-based performance metrics. For the most part, the Differentiation grant envelope replaces the prior year's quality enhancement and performance grant envelopes.
International Student Recovery	A reduction in operating grant based on the number of international undergraduate and Masters students.
OTO	Expenses that occur in the current year only and do not carry forward into the following budget year.
SMA2	Laurier's second Strategic Mandate Agreement with MAESD, effective from April 1, 2017 to March 31, 2020. The Strategic Mandate Agreement outlines the role the University currently performs in Ontario's postsecondary education system and how it will build on its current strengths to achieve its vision and help drive system-wide objectives and government priorities.
SMA3	Assuming the Strategic Mandate Agreement process continues, this would be Laurier's third such agreement with MAESD and would likely be effective April 1, 2020.
Student FFTE/FTE	The proportion of a full load course taken by a student. Total FFTE refers to the total of all students'' individual FFTEs. Revenue from undergraduate students is based on fiscal full-time equivalents (FFTEs), which is calculated using course enrolments for the fiscal year. Revenue from graduate level students is based on full-time equivalents (FTEs), which is based on student headcounts in each academic term (FTE for a full-time graduate student is 1.0, and for part-time graduate student is 0.3).
Student Headcounts	The number of students enrolled in programs at Laurier and refers to the number of students, regardless of course-load and includes both full and part time students. The Fall academic term is used as the benchmark for measuring year-over-year enrolment changes.

Tuition - Eligible	Tuition fees from students who are eligible for operating grant funding from the Provincial Government. For example, domestic students in publicly funded programs.
Tuition - Ineligible	Tuition fees from students who are not eligible for operating grant funding from the Provincial Government in programs not eligible for operating grant funding. For example, full cost recovery or self-funded programs, and most international students.
WGU	A new weighting system, replacing the BIU, which is part of the new operating grant funding model effective for fiscal 2017-18. The weighting factors for calculating WGUs has been revised from those used for BIUs in order to create equal grant funding per weighted student enrolment for students in similar programs across all institutions as well as a common grant per WGU rate.